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Amazon Echo – What We Know Now (Updated)

Estimate 5 Million Units Sold in US as Awareness Soars, with Diverse Uses

CHICAGO, IL – Monday, November 21, 2016 - Consumer Intelligence Research Partners, LLC (CIRP) today released updated analysis of Amazon Echo from Amazon, Inc. (NASDAQ:AMZN).

This analysis indicates that Amazon sold 5.1 million Amazon Echo devices in the US since its late 2014 introduction. Awareness of Amazon Echo among US Amazon customers increased dramatically in the past twelve months, as Echo buyers use it as a voice-responsive Internet query device and household controller, in addition to a high-end streaming music speaker.

CIRP estimates that for US Amazon customers, awareness of Amazon Echo increased to 69% as of September 30, 2016, up from 20% as of March 31, 2015, the first full quarter following its introduction (Chart 1).

Chart 1: Amazon customer awareness of Amazon Echo

“Amazon continues to expand Echo, introducing two new models this year, the Dot and Tap” said Josh Lowitz, Partner and Co-Founder of CIRP. “Amazon also promotes it heavily, with special pricing on multiple Echo device purchases and Echo devices bundled with compatible speakers and home automation devices. Amazon also offers deals available only to Amazon Prime members exclusively through Echo.”
As a result, based on our research CIRP estimates that Amazon sold approximately 5.1 million Amazon Echo devices in the US since its late 2014 introduction, with approximately 2 million units sold in the first nine months of 2016.

“The installed base of Amazon Echo users continues to grow at a rapid clip,” said Mike Levin, Partner and Co-Founder of CIRP. “We estimate that the new Echo Dot and Echo Tap models account for at least one-third of sales in the past six months, since Amazon introduced those models. And, a small but meaningful percentage of Amazon customers own more than one Echo model.”

Customers use Amazon Echo for many purposes, with one-third using it as an information provider responding to questions and over 40% as an audio speaker for listening to streaming music (Chart 2).

Chart 2: How consumers use Amazon Echo (multiple responses allowed, percentages sum to over 100%)

“Our research shows that more than half of Echo owners use the device as more than a voice-controlled music speaker,” added Lowitz. “Users report asking about weather and news, and increasingly controlling other connected devices.”

CIRP bases its findings on surveys of 3,500 US subjects who made a purchase at Amazon.com in the period from January 2015-September 2016. For additional information, please contact Mike Levin (mike@cirpllc.com) or Josh Lowitz (josh@cirpllc.com) at 312.344.3664. Further information on CIRP, which provides securities research to the investment community using advanced consumer market research strategies, methods, and techniques, is at www.cirpllc.com.

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